

Indian IT & business services market grows 5.41% to \$13.4 bn in 2020, says IDC

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THE IT AND Business Services market in the country recorded a lower year-on-year growth of 5.41% to \$13.41 billion in 2020 due to the impact of the Covid-19 pandemic on organisations, research firm IDC said on Tuesday.

However, the IT and Business Services market is expected to grow at a CAGR of 7.18% between 2020 and 2025 and touch nearly \$19 billion by the end of 2025 on the back of increased spending in areas like cloud and artificial intelligence.

The Indian IT and Business Services market had grown by 8.43% in 2019, but the growth rate fell in 2020 due to the impact of the COVID-19 pandemic on businesses in the country, as per IDC Worldwide Semi-annual Services Tracker.

Of the IT and Business Services market, the IT Services segment contributed 77.06% and grew by 5.97% in 2020. This is against a growth rate of 8.91% in 2019.

As per IDC, the IT and Business Services market will begin picking up momentum gradually from 2021 onwards due to increased spending in areas like cloud, application modernisation, AI, automation etc. "The IT and Business Services market is projected to grow at a CAGR of 7.18% between 2020-2025 and reach \$18.97 billion by the end of 2025," it said.